



SOUTHERN ILLINOIS HEALTHCARE

October 30, 2018

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
Second Floor
525 West Jefferson
Springfield, Illinois 62702-5056

Re: IHFSRB Project #13-069
Memorial Hospital of Carbondale

Dear Ms. Avery:

We are submitting this request for a permit renewal for the above-referenced project, which was granted a CON permit at the March 11, 2014, meeting of the Illinois Health Facilities and Services Review Board (HFSRB) and received approval for an alteration on February 16, 2016.

This permit was granted for the construction of two additions to the hospital and the modernization of existing space.

1. We are requesting a renewal of this permit to a Project Completion Date of December 31, 2019, from the previously renewed Permit Completion Date of December 31, 2018.
2. The current status of the project is as follows.
 - a. As of September 1, 2018, 75% of the project was completed.
 - b. The following components of the project are completed:
 - All site work and off-site work;
 - The new construction portion of the project, which includes many departments;
 - Modernization of some departments, except for completion of the Surgical Suite and Mechanical/Electrical Space, as noted below.
 - c. The components of the project that are underway but not completed are the modernization of the Surgical Suite, Mechanical/Electrical Space, and installation of equipment.
 - d. The funds expended as of October 2, 2018, are \$43,153,780.

Notification that funds are being shifted among line items of this project without making any change in the total altered project costs that were approved on February 16, 2016, is being provided under separate cover.

A chart showing project expenditures as of October 2, 2018, together with current and proposed Estimated Project Costs by line item is enclosed.

3. The project has not been completed in the time frame proposed in the CON application for the following reasons.

- a. Modernization of the existing operating rooms has required more time than originally projected.

The original timeline called for the modernization of two operating rooms at a time. However, due to increased surgical utilization and the recruitment of 18 surgeons since the CON permit was approved, it has only been possible to take one operating room out of service at a time, which has required a revision of the construction schedule that has extended the time required to modernize the existing operating rooms.

The modernization of each operating room takes 4 months, as a result of which the modernization of the operating rooms is taking 12 months more than anticipated at the time of the first permit renewal.

- b. During the implementation of this project, it was determined that the hospital's existing daVinci Robotic Surgical System needed to be replaced and that this replacement should occur while the Surgical Suite is being remodeled.

The lead time for the purchase of the daVinci System as well as the time necessary for the required construction and the installation of this equipment will take approximately 4 months.

4. We hereby confirm that we are authorized representatives of the permit holders for this project.

We further confirm that the project's costs and scope comply with the project approved by the Illinois Health Facilities and Services Review Board, including the alteration of the sources of funds, and that sufficient financial resources are available to complete the project.

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A check for \$500 for the permit renewal processing fee is enclosed

Please feel free to contact Andrea Rozran of Diversified Health Resources, Inc. (312-266-0466, arozran@diversifiedhealth.net) if you have any questions.

Sincerely,



Rex P. Budde, President and CEO
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale



Michael Kasser, Senior Vice President/CFO/Treasurer
Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale

cc: Michael Constantino



Valerie K. Cawvey

MEMORIAL HOSPITAL OF CARBONDALE EXPANSION AND MODERNIZATION
IHFPB PROJECT # 13-069
PROJECT COSTS AND SOURCES OF FUNDS AS OF 10/30/18

	APPROVED COSTS PER 2/16/16 ALTERATION	PROJECT EXPENDITURES AS OF 10/2/18	CHANGES IN LINE ITEMS OF PROJECT COSTS AS OF 10/30/18
Preplanning Costs	\$159,231	\$156,229	\$159,231
Site Survey and Soil Investigation	\$33,638	\$23,520	\$33,638
Site Preparation	\$188,631	\$188,631	\$188,631
Off Site Work	\$395,218	\$395,218	\$395,218
New Construction Contracts	\$20,865,371	\$20,391,618	\$20,865,371
Modernization Contracts	\$6,810,506	\$5,028,633	\$7,200,506
Contingencies	\$2,644,088	\$2,644,088	\$2,644,088
Architectural/Engineering Fees	\$1,963,438	\$1,938,955	\$1,963,438
Consulting and Other Fees	\$2,003,014	\$1,852,424	\$2,003,014
Movable or Other Equipment (not in construction contracts)	\$10,209,230	\$9,162,910	\$13,053,705
Bond Issuance Expense (project related)	\$1,055,000	\$339,736	\$1,055,000
Net Interest Expense during construction (project related)	\$9,680,000	\$946,146	\$6,445,525
Fair Market Value of Leased space or equipment	\$0	\$0	\$0
Other costs to be capitalized	\$105,033	\$85,672	\$105,033
Acquisition of building or other property (excluding land)	\$0	\$0	\$0
Estimated Total Project Cost	\$56,112,398	\$43,153,780	\$56,112,398